

Message Text

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ACTION EB-11

INFO OCT-01 IO-14 ISO-00 AF-10 ARA-16 EA-11 EUR-25 NEA-14

RSC-01 OMB-01 TAR-02 SP-03 SWF-02 AGR-20 AID-20

CIAE-00 COME-00 INR-10 LAB-06 NSAE-00 OIC-04 SIL-01

STR-08 TRSE-00 CIEP-02 CEA-02 L-03 H-03 PA-04 PRS-01

USIA-15 DRC-01 /211 W

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R 311700Z MAY 74

FM USMISSION GENEVA

TO SECSTATE WASHDC 6156

UNCLAS SECTION 1 OF 2 GENEVA 3458

E.O. 11652: N/A

TAGS: ETRD, UNCTAD

SUBJ: UNCTAD: DRAFT RESOLUTION ON GSP IMPROVEMENT

REF: A. GENEVA 3338

B. STATE 112546

1. FOLLOWING PROTRACTED AND DIFFICULT NEGOTIATIONS, CONTACT GROUP AGREED LATE MAY 30 ON DRAFT RESOLUTION ON GSP IMPROVEMENT FOR PRESENTATION TO PLENARY MAY 31. ALTHOUGH THRUST OF LDC PRESENTATION OF RESOLUTION AND OF NEGOTIATIONS WAS AIMED AT EXISTING PREFERENCE SCHEMES, USDEL PLAYED ACTIVE ROLE IN WORKING OUT ACCEPTABLE LANGUAGE. MUCH TIME DEVOTED TO FINDING LANGUAGE WHICH AVOIDED ANY SPECIFIC COMMITMENT TO IMPROVEMENTS IN GSP AND MODIFIED IMPROVEMENTS LDCS WISHED DONORS TO TAKE INTO ACCOUNT.

2. FOLLOWING ARE COMMENTS ON KEY POINTS OF TEXT PRESENTED TO PLENARY:

A. PREAMBLE

(1) REFERENCE TO PROGRAM OF ACTION HANDLED BY INSERTION OF WORDS "AS ADOPTED", WHICH ARE CUSTOMARY CODE
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WORDS USED IN UNCTAD TO NOTE ANY RESERVATIONS ON UN AND

OTHER RESOLUTIONS.

B. OPERATIVE PARAS

PARA 3. HEADING. LDCS PUSHED HARD IN HEADING OF
PARA 3 FOR COMMITMENT FROM DONORS TO MAKE IMPROVEMENTS IN
GSP. GROUP B AT FIRST FIRMLY RESISTED EFFORTS BUT THEN BEGAN TO
SPLIT. EC THEN TOUGHENED UP AND WITH U.S. SUPPORT SUCCEEDED
IN INSERTING CONCEPT OF SEEKING IMPROVEMENTS RATHER THAN
UNDERTAKING OR PURSUING IMPROVEMENTS. CONCEPT OF TAKING INTO
ACCOUNT LDC VIEWS ALSO INSERTED.

PARA 3(I) PRODUCT COVERAGE. USDEL SUCCEEDED IN
OBTAINING DELETION OF REFERENCE TO SPECIFIC PRODUCTS SUCH AS TEXTILES
WHICH EC READY TO ACCEPT. WHEN COMMUNITY AND OTHERS WITH GSP
SCHEMES IN FORCE ACCEPTED REFERENCES TO PRODUCTS OF PARTICULAR
INTEREST TO LDCS IN BTN 1-24 AND 25-99, USDEL ALSO ACCEPTED.

PARA 3(V) LDCS SAID PARA MEANT TO REFER TO EXISTING
SCHEMES AND ACCEPTED U.S. AMENDMENT WHICH ADDED WORDS "UNDER
THE GSP" TO AVOID AMBIGUITY REGARDING POSSIBLE APPLICATION
TO U.S. EXCLUSION OF TEXTILES.

PARA 3(VI) EC REFUSED ACCEPT REFERENCE TO
UNOFFICIAL SEMI-SENSITIVE LISTS BUT AGREED INSERT TERM
SPECIAL MANAGEMENT PROVISIONS.

PARA 5 LDCS INSISTED ON SOME GENERAL REFERENCE
TO AVOIDING ACTIONS HARMFUL TO GSP SUCH AS ACTIONS RECENTLY
TAKEN DENMARK AND ITALY. WHEN GROUP B REFUSED ACCEPT
BLANKET EXEMPTION FOR GSP ITEMS FROM BALANCE OF PAYMENTS
MEASURES, LDCS INSISTED ON REPEATING LANGUAGE PREVIOUSLY
AGREED IN RES. 77(III).

PARA 6 REPEAT PARA 12 OF RES. 1(V).

3. FOLLOWING IS FULL TEXT OF AGREED RESOLUTION AS IT WENT TO
PLENARY:

QUOTE: THE SPECIAL COMMITTEE OF PREFERENCES,
RECALLING UNCTAD RESOLUTION 21(II);
RECALLING UNCTAD RESOLUTION 62(III) AND SECTION V,
PARAGRAPH 2 OF THE AGREED CONCLUSIONS ADOPTED AT THE IVTH SESSION
OF THE COMMITTEE;
RECALLING FURTHER ITS RESOLUTION 1(V);
BEARING IN MIND THE PROGRAMME OF ACTION THE
ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER AS ADOPTED
BY THE UNITED NATIONS GENERAL ASSEMBLY AT ITS SIXTH SPECIAL
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SESSION;

HAVING REVIEWED THE SCHEMES OF GENERALIZED
PREFERENCES IN OPERATION;

HAVING HEARD THE STATEMENTS OF THE PREFERENCE-GIVING
AND PREFERENCE-RECEIVING COUNTRIES;

1. NOTES WITH APPRECIATION THE IMPROVEMENTS ALREADY
EFFECTED IN THE SCHEMES OF GENERALIZED PREFERENCES;
2. REITERATES ITS INVITATION TO THE PREFERENCE-GIVING COUNTRIES

TO GIVE CONTINUING CONSIDERATION TO THE REQUESTS OF DEVELOPING COUNTRIES FOR IMPROVEMENTS OF THEIR EXISTING SCHEMES OF GENERALIZED PREFERENCES CONTAINED IN SECTION III OF RESOLUTION 1(V);

3. INVITES THE PREFERENCE-GIVING COUNTRIES TO SEEK FURTHER IMPROVEMENTS IN THEIR SCHEMES OF GENERALIZED PREFERENCES TAKING INTO ACCOUNT THE REQUESTS OF THE DEVELOPING COUNTRIES PAYING SPECIAL ATTENTION TO THE PROBLEMS OF THE LEAST DEVELOPED AMONG DEVELOPING COUNTRIES AND THE LAND-LOCKED DEVELOPING COUNTRIES IN PARTICULAR ON THE FOLLOWING LINES:

(I) EXPANSION OF PRODUCT COVERAGE IN PARTICULAR FOR PRODUCTS INCLUDED IN BTN CHAPTERS 1-24 AND FOR OTHER PRODUCTS OF PARTICULAR EXPORT INTEREST TO DEVELOPING COUNTRIES INCLUDED IN BTN CHAPTERS 25-99;

(II) DUTY-FREE TREATMENT AND SUBSTANTIAL INCREASES IN QUOTAS FOR HAND-MADE AND HANDICRAFT PRODUCTS TO THE MAXIMUM EXTENT POSSIBLE;

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R 311700Z MAY 74

FM USMISSION GENEVA

TO SECSTATE WASHDC 6157

UNCLAS SECTION 2 OF 2 GENEVA 3458

(III) DEEPER TARIFF CUTS ON PRODUCTS FOR WHICH PREFERENTIAL TARIFFS CANNOT BE REDUCED TO ZERO;

(IV) SUBSTANTIAL INCREASES IN CEILINGS AND TARIFF QUOTAS;

(V) EXTENSION OF ZERO PREFERENTIAL TARIFFS FOR PRODUCTS WHICH REMAIN SUBJECT TO CEILINGS UNDER THE GSP;

(VI) REDUCTION TO THE MINIMUM OF PRODUCTS SUBJECT TO SPECIAL MANAGEMENT PROVISIONS;
(VII) CALCULATION OF CEILINGS ON THE BASIS OF THE MOST RECENT REFERENCE YEARS FOR WHICH TRADE DATA ARE AVAILABLE;
(VIII) MORE FLEXIBLE AND LIBERAL ADMINISTRATION OF CEILINGS AND TARIFF QUOTAS;
(IX) FULL IMPLEMENTATION OF SECTION III OF THE AGREED CONCLUSIONS OF THE SPECIAL COMMITTEE ON PREFERENCES ADOPTED AT THE SECOND PART OF ITS FOURTH SESSION, REGARDING SAFEGUARD MECHANISMS;
(X) FURTHER HARMONIZATION, SIMPLIFICATION AND IMPROVEMENT OF THE RULES OF ORIGIN.

4. REQUESTS THE PREFERENCE-GIVING COUNTRIES, BEARING IN MIND ASSISTANCE ALREADY PROVIDED BY THEM TO GOVERNMENTS AND EXPORTERS OF DEVELOPING COUNTRIES AND THROUGH THE UNCLASSIFIED

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UNCTAD/UNDP TRAINING AND ADVISORY SERVICES PROJECT, TO ADOPT SUPPLEMENTARY MEASURES FOR ASSISTING GOVERNMENTS AND EXPORTERS OF DEVELOPING COUNTRIES, PARTICULARLY THOSE OF THE LEAST DEVELOPED AMONG THE DEVELOPING COUNTRIES, IN ORDER TO ENABLE THEM TO MAKE GREATER USE OF THE GSP;

5. INVITES THE PREFERENCE-GIVING COUNTRIES TO TAKE INTO CONSIDERATION THE REQUEST OF DEVELOPING COUNTRIES CONTAINED IN SECTION II. B OF RESOLUTION 77(III) THAT PREFERENCE-GIVING COUNTRIES SHOULD NOT ADOPT ANY DOMESTIC POLICY MEASURES WHICH WOULD MINIMIZE THE BENEFITS OF THE GSP;

6. REITERATES THAT DEVELOPING COUNTRIES WHICH WILL BE SHARING THEIR EXISTING TARIFF ADVANTAGES IN SOME DEVELOPED COUNTRIES AS A RESULT OF THE INTRODUCTION OF THE GENERALIZED SYSTEM OF PREFERENCES WILL EXPECT THE NEW ACCESS IN OTHER DEVELOPED COUNTRIES TO PROVIDE EXPORT OPPORTUNITIES AT LEAST TO COMPENSATE THEM;

7. REQUESTS THE SOCIALIST PREFERENCE-GIVING COUNTRIES TO CONTINUE TO APPLY ON THE BASIS OF RESOLUTION 1(V), SECTION II, AND OF CONFERENCE RESOLUTIONS 15(II) AND 53(III), IN THE CONTEXT OF THEIR PROCUREMENT POLICIES AND IN ACCORDANCE WITH THE MODALITIES OF THEIR FOREIGN TRADE SYSTEMS, APPROPRIATE MEASURES TO IMPROVE THE IMPORTATION AND MARKETING OF PRODUCTS OF EXPORT INTEREST TO DEVELOPING COUNTRIES. UNQUOTE.DALE

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